



February 20, 2004

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## ENGROSSED SENATE BILL No. 405

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DIGEST OF SB 405 (Updated February 18, 2004 5:41 pm - DI 108)

**Citations Affected:** IC 24-4.5.

**Synopsis:** Small loans. Makes various changes in the small loan provisions of the Uniform Consumer Credit Code, including: (1) prohibits the renewal of a small loan; (2) removes limitations on finance charges; (3) increases delinquency charges; (4) allows a small loan to be secured by a borrower's authorization to debit an account instead of a borrower's check; (5) increases civil penalties and statutory damages from \$1,000 to \$2,000; and (6) prohibits a small loan if the total payable amount of the small loan exceeds 15% of the borrower's monthly gross income. (Current law provides that a small loan is prohibited if it exceeds 20% of the borrower's monthly net income.) Repeals provisions that relate to the renewal of a small loan.

**Effective:** Upon passage; July 1, 2004.

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**Paul, Mrvan, Lewis, Craycraft**

(HOUSE SPONSORS — MAHERN, KUZMAN, BURTON, HOFFMAN)

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January 12, 2004, read first time and referred to Committee on Insurance and Financial Institutions.

January 20, 2004, reported favorably — Do Pass.

January 26, 2004, read second time, ordered engrossed. Engrossed.

January 29, 2004, read third time, passed. Yeas 44, nays 3.

HOUSE ACTION

February 4, 2004, read first time and referred to Committee on Financial Institutions.

February 19, 2004, amended, reported — Do Pass.

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ES 405—LS 7081/DI 105+



February 20, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 405

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulations; consumer sales and credit.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 24-4.5-7-104, AS ADDED BY P.L.38-2002,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2004]: Sec. 104. "Small loan" means a loan:

4 (a) with a principal loan amount that is ~~more than~~ **at least** fifty  
5 dollars (\$50) and ~~less than four not more than four hundred one~~  
6 dollars ~~(\$401);~~ **(\$400)**; and

7 (b) in which the lender holds the borrower's check **or receives the**  
8 **borrower's written authorization to debit the borrower's**  
9 **account** under an agreement, either express or implied, for a  
10 specific period before the lender:

11 (i) offers the check for deposit or presentment; or

12 (ii) ~~seeks exercises the~~ authorization to ~~transfer or withdraw~~  
13 ~~funds from debit~~ the borrower's account.

14 SECTION 2. IC 24-4.5-7-105, AS ADDED BY P.L.38-2002,  
15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JULY 1, 2004]: Sec. 105. "Principal" means the total of:

17 (a) the net amount paid to, receivable by, or paid or payable from

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ES 405—LS 7081/DI 105+



the account of the ~~consumer~~; **borrower**; and

(b) to the extent that the payment is deferred, the additional charges permitted by this chapter that are not included in subdivision (a).

SECTION 3. IC 24-4.5-7-107, AS ADDED BY P.L.38-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 107. "Renewal" refers to a small loan that takes the place of an existing small loan by:

- (a) renewing;
- (b) repaying;
- (c) refinancing; or
- (d) consolidating;

a small loan with the proceeds of another small loan made to the same ~~consumer~~ **borrower** by a lender.

SECTION 4. IC 24-4.5-7-108, AS ADDED BY P.L.38-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 108. "Consecutive small loan" means a new small loan agreement that the lender enters with the same ~~consumer~~ **borrower** not later than seven (7) calendar days after a previous small loan made to that ~~customer~~ **borrower** is paid in full.

SECTION 5. IC 24-4.5-7-109, AS ADDED BY P.L.38-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 109. "Paid in full" means the termination of a small loan through:

- (1) the payment of the ~~consumer's~~ **borrower's** check by the drawee bank or authorized electronic transfer;
- (2) the return of a check to a ~~consumer~~ **borrower** who redeems it for consideration;
- (3) **the authorized debiting of the borrower's account**; or
- (4) any other method of termination.

SECTION 6. IC 24-4.5-7-110, AS ADDED BY P.L.38-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 110. "Monthly ~~net~~ **gross** income" means the income received by the ~~consumer~~ **borrower** in the ~~four (4) week~~ **thirty (30) day** period preceding the ~~consumer's~~ **borrower's** application for a small loan under this chapter and exclusive of any income other than regular ~~net~~ **gross** pay received, or as otherwise determined by the department.

SECTION 7. IC 24-4.5-7-201, AS ADDED BY P.L.38-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 201. ~~(+) Finance charges on the first one hundred dollars (\$100) of a small loan are limited to fifteen percent (15%) of~~

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the principal.

(2) Finance charges on the amount of a small loan greater than one hundred dollars (\$100) are limited to ten percent (10%) of the amount over one hundred dollars (\$100):

(3) The total amount of finance charges may not exceed thirty-five dollars (\$35):

SECTION 8. IC 24-4.5-7-202, AS ADDED BY P.L.38-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 202. (1) Notwithstanding any other law, only the following fees may be contracted for and received by the lender on a small loan: ~~or subsequent refinancing:~~

(a) The parties may contract for a delinquency charge of not more than ~~five ten~~ dollars (~~\$5~~) (**\$10**) on any installment not paid in full within ten (10) days after its scheduled due date.

(b) A delinquency charge under this section may be collected only once on an installment, however long it remains in default. A delinquency charge may be collected any time after it accrues.

(2) An additional charge may be made not to exceed twenty dollars (\$20) for each:

(a) return by a bank or other depository institution of a:

(i) dishonored check;

(ii) negotiable order of withdrawal; or

(iii) share draft issued by the ~~consumer~~; **borrower**; or

(b) **time an authorization to debit the borrower's account is dishonored.**

This additional charge may be assessed one (1) time regardless of how many times a check ~~or an authorization to debit the borrower's account~~ may be submitted by the lender and dishonored.

SECTION 9. IC 24-4.5-7-301, AS ADDED BY P.L.38-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 301. (1) For purposes of this section, the lender shall disclose to the ~~consumer~~ **borrower** to whom credit is extended with respect to a small loan the information required by the Federal Consumer Credit Protection Act.

(2) In addition to the requirements of subsection (1), the lender must conspicuously display in bold type a notice to the public both in the lending area of each business location and in the loan documents the following statement:

"WARNING: A small loan is not intended to meet long term financial needs. A small loan should be used only to meet short term cash needs. ~~Renewing the small loan rather than paying the debt in full will require additional finance charges.~~ The cost of

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your small loan may be higher than loans offered by other lending institutions. Small loans are regulated by the State of Indiana Department of Financial Institutions.

A **consumer borrower** may rescind a small loan without cost not later than the end of the business day immediately following the day on which the small loan was made. To rescind a small loan, a **consumer borrower** must inform the lender that the **consumer borrower** wants to rescind the small loan, and the **consumer borrower** must return the cash amount of the principal of the small loan to the lender."

(3) The statement required in subsection (2) must be in:

- (a) 14 point bold face type in the loan documents; and
- (b) not less than one (1) inch bold print in the lending area of the business location.

**(4) When a borrower enters into a small loan, the lender shall provide the borrower with a pamphlet approved by the department that describes:**

- (a) the availability of debt management and credit counseling services; and**
- (b) the borrower's rights and responsibilities in the transaction.**

SECTION 10. IC 24-4.5-7-401, AS AMENDED BY P.L.258-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 401. (1) ~~Except as provided in subsection (2);~~ A small loan may not be made for a term of less than fourteen (14) days.

(2) After the ~~consumer's third~~ **borrower's fifth** consecutive small loan, another small loan may not be made to that **consumer borrower** within seven (7) days after the **due** date of the ~~third~~ **fifth** consecutive small loan. ~~unless the new small loan is for a term of twenty-eight (28) days or longer.~~ **After the borrower's fifth consecutive small loan, the balance must be paid in full. However, the borrower and lender may agree to enter into a simple interest loan, payable in installments, under IC 24-4.5-3 within seven (7) days after the due date of the fifth consecutive small loan.**

SECTION 11. IC 24-4.5-7-402, AS ADDED BY P.L.38-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 402. (1) A lender is prohibited from making a small loan to a **consumer borrower** if the total payable amount of the small loan exceeds ~~twenty~~ **fifteen** percent ~~(20%)~~ **(15%)** of the ~~consumer's borrower's~~ **monthly net gross** income.

(2) A small loan may be secured by only one (1) check or ~~electronic~~ **authorization to debit the borrower's account** per small loan. The

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1 check or electronic debit may not exceed the amount advanced to or on  
2 behalf of the **consumer borrower** plus loan finance charges contracted  
3 for and permitted.

4 (3) A **consumer borrower** may make partial payments in any  
5 amount on the small loan without charge at any time before the due  
6 date of the small loan. After each payment is made on a small loan,  
7 whether the payment is in part or in full, the lender shall give a signed  
8 and dated receipt to the **consumer borrower** making a payment  
9 showing the amount paid and the balance due on the small loan.

10 (4) The lender shall provide to each **consumer borrower** a copy of  
11 the required loan documents before the disbursement of the loan  
12 proceeds.

13 (5) A **consumer borrower** may rescind a small loan without cost not  
14 later than the end of the business day immediately following the day on  
15 which the small loan was made. To rescind a small loan, a **consumer**  
16 **borrower** must:

17 (a) inform the lender that the **consumer borrower** wants to  
18 rescind the small loan; and

19 (b) return the cash amount of the principal of the small loan to the  
20 lender.

21 **(6) A lender shall not enter into a renewal with a borrower. If**  
22 **a loan is paid in full, a subsequent loan is not a renewal.**

23 SECTION 12. IC 24-4.5-7-404, AS ADDED BY P.L.38-2002,  
24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 JULY 1, 2004]: Sec. 404. (1) **As used in this section, "commercially**  
26 **reasonable method of verification" means one (1) or more private**  
27 **consumer credit reporting services that the department determines**  
28 **to be capable of providing a lender with adequate verification**  
29 **information necessary to ensure compliance with subsection (4).**

30 **(2) With respect to a small loan, or subsequent refinancing, no**  
31 **lender may permit a person to become obligated under more than one**  
32 **(1) loan agreement with the lender at any time.**

33 ~~(2)~~ **(3) A lender shall not make a small loan or subsequent**  
34 **refinancing that, when combined with another outstanding small loan**  
35 **owed to another lender, exceeds a total of four hundred dollars (\$400)**  
36 **when the face amounts of the checks written or debits authorized in**  
37 **connection with each loan are combined into a single sum. A lender**  
38 **shall not make a small loan to a consumer borrower who has two (2)**  
39 **or more small loans outstanding, regardless of the total value of the**  
40 **small loans.**

41 ~~(3)~~ **(4) A lender complies with subsection (2) (3) if the consumer**  
42 **borrower represents in writing that the consumer borrower does not**

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1 have any outstanding small loans with the lender, ~~or with any other~~  
 2 **another lender, an affiliate of the lender or another lender, or a**  
 3 **separate entity involved in a business association with the lender or**  
 4 **another lender in making small loans**, and the lender independently  
 5 verifies the accuracy of the ~~consumer's borrower's~~ written  
 6 representation through a commercially reasonable ~~means~~ **method of**  
 7 **verification**. A lender's method of verifying whether a ~~consumer~~  
 8 **borrower** has any outstanding small loans will be considered  
 9 commercially reasonable if the method includes a manual investigation  
 10 or an electronic query of:

- 11 (a) the lender's own records, including both records maintained at  
 12 the location where the ~~consumer borrower~~ is applying for the  
 13 transaction and records maintained at other locations within the  
 14 state that are owned and operated by the lender; and  
 15 (b) available ~~department approved~~ **third party** databases.

16 **(5) The department shall monitor the effectiveness of private**  
 17 **consumer credit reporting services in providing the verification**  
 18 **information required under subsection (4). If the department**  
 19 **determines that one (1) or more commercially reasonable methods**  
 20 **of verification are available, the department shall:**

- 21 (a) **provide reasonable notice to all lenders identifying the**  
 22 **commercially reasonable methods of verification that are**  
 23 **available; and**  
 24 (b) **require each lender to use one (1) of the identified**  
 25 **commercially reasonable methods of verification as a means**  
 26 **of complying with subsection (4).**

27 ~~(4)~~ **(6)** The excess amount of loan finance charge provided for in  
 28 agreements in violation of this section is an excess charge for purposes  
 29 of the provisions concerning effect of violations on rights of parties  
 30 (IC 24-4.5-5-202) and the provisions concerning civil actions by the  
 31 department (IC 24-4.5-6-113).

32 SECTION 13. IC 24-4.5-7-406, AS ADDED BY P.L.38-2002,  
 33 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JULY 1, 2004]: Sec. 406. An agreement with respect to a small loan  
 35 may not provide for charges as a result of default by the ~~consumer~~  
 36 **borrower** other than those authorized by this chapter. A provision in  
 37 violation of this section is unenforceable.

38 SECTION 14. IC 24-4.5-7-409, AS ADDED BY P.L.38-2002,  
 39 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2004]: Sec. 409. (1) This section applies to licensees and  
 41 unlicensed persons.

42 **(2) The following apply to small loans only when a check or an**

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1 authorization to debit a borrower's account is used to defraud  
2 another person:

3 (a) IC 26-1-3.1-502.5 (surcharge after dishonor).

4 (b) IC 26-2-7 (penalties for stopping payments or permitting  
5 dishonor of checks and drafts).

6 (c) IC 34-4-30 (before its repeal).

7 (d) IC 34-24-3 (treble damages allowed in certain civil actions  
8 by crime victims).

9 and (e) IC 35-43-5 apply to small loans only when a check is used  
10 to defraud another person: (forgery, fraud, and other  
11 deceptions).

12 IC 24-4.5-3-404 (attorney's fees) does not apply to a small loan.

13 (3) A contractual agreement in a small loan transaction must include  
14 the language of subsection (2) in 14 point bold type.

15 (4) A person who violates this chapter:

16 (a) is subject to a civil penalty up to ~~one~~ two thousand dollars  
17 (~~\$1,000~~) (\$2,000) imposed by the department;

18 (b) is subject to the remedies provided in IC 24-4.5-5-202;

19 (c) commits a deceptive act under IC 24-5-0.5 and is subject to  
20 the penalties listed in IC 24-5-0.5;

21 (d) has no right to collect, receive, or retain any principal, interest,  
22 or other charges from a small loan; however, this subdivision does  
23 not apply if the violation is the result of an accident or bona fide  
24 error of computation; and

25 (e) is liable to the ~~consumer borrower~~ for actual damages,  
26 statutory damages of ~~one~~ two thousand dollars (~~\$1,000~~) (\$2,000)  
27 per violation, costs, and attorney's fees; however, this subdivision  
28 does not apply if the violation is the result of an accident or bona  
29 fide error of computation.

30 (5) The department may sue:

31 (a) to enjoin any conduct that constitutes or will constitute a  
32 violation of this chapter; and

33 (b) for other equitable relief.

34 (6) The remedies provided in this section are cumulative but are not  
35 intended to be the exclusive remedies available to a ~~consumer~~  
36 **borrower**. A ~~consumer borrower~~ is not required to exhaust any  
37 administrative remedies under this section or any other applicable law.

38 SECTION 15. IC 24-4.5-7-410, AS ADDED BY P.L.38-2002,  
39 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 UPON PASSAGE]: Sec. 410. A lender making small loans shall not  
41 commit nor cause to be committed any of the following acts:

42 (a) Threatening to use or using the criminal process in any state

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to collect on a small loan.

(b) Threatening to take action against a ~~consumer~~ **borrower** that is prohibited by this chapter.

(c) Making a misleading or deceptive statement regarding a small loan or a consequence of taking a small loan.

(d) Contracting for and collecting attorney's fees on small loans made under this chapter.

(e) Altering the date or any other information on a check **or an authorization to debit the borrower's account** held as security.

(f) Using a device or agreement that **the department determines** would have the effect of charging or collecting more fees, charges, or interest than allowed by this chapter, including, but not limited to:

(i) entering a different type of transaction with the ~~consumer~~; **borrower**;

(ii) entering into a sales/leaseback arrangement;

(iii) catalog sales; ~~or~~

(iv) **entering into transactions in which a customer receives a purported cash rebate that is advanced by someone offering Internet content services, or some other product or service, when the cash rebate does not represent a discount or an adjustment of the purchase price for the product or service; or**

(v) entering any other transaction with the ~~consumer~~ **borrower** that is designed to evade the applicability of this chapter.

(g) Engaging in unfair, deceptive, or fraudulent practices in the making or collecting of a small loan.

(h) Charging to cash a check representing the proceeds of a small loan.

(i) Except as otherwise provided in this chapter:

(i) accepting the proceeds of a new small loan as payment of an existing small loan provided by the same lender; or

(ii) renewing, refinancing, or consolidating a small loan with the proceeds of another small loan made by the same lender.

(j) Including any of the following provisions in a loan document:

(i) A hold harmless clause.

(ii) A confession of judgment clause.

(iii) A mandatory arbitration clause, unless the terms and conditions of the arbitration have been approved by the director of the department.

(iv) An assignment of or order for payment of wages or other

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1 compensation for services.

2 (v) A provision in which the ~~consumer~~ **borrower** agrees not  
3 to assert a claim or defense arising out of contract.

4 (vi) A waiver of any provision of this chapter.

5 (k) Selling insurance of any kind in connection with the making  
6 or collecting of a small loan.

7 **(l) Entering into a renewal with a borrower.**

8 SECTION 16. IC 24-4.5-7-412, AS ADDED BY P.L.38-2002,  
9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2004]: Sec. 412. Upon the receipt of a check from a ~~consumer~~  
11 **borrower** for a small loan, the lender shall immediately stamp the back  
12 of the check with an endorsement that states:

13 "This check is being negotiated as part of a small loan under  
14 IC 24-4.5, and any holder of this check takes it subject to the  
15 claims and defenses of the maker."

16 SECTION 17. THE FOLLOWING ARE REPEALED [EFFECTIVE  
17 JULY 1, 2004]: IC 24-4.5-7-407; IC 24-4.5-7-408.

18 SECTION 18. **An emergency is declared for this act.**

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SENATE MOTION

Madam President: I move that Senators Mrvan and Lewis be added as coauthors of Senate Bill 405.

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COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 405, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 405 as introduced.)

PAUL, Chairperson

Committee Vote: Yeas 6, Nays 1.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred Senate Bill 405, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 5, delete "five" and insert "**four**".

Page 1, line 6, delete "(\$500);" and insert "**(\$400);**".

Page 2, line 20, delete "full," and insert "full."

Page 2, line 20, delete "renewed, or".

Page 2, delete line 21.

Page 3, line 12, after "loan" insert ":".

Page 3, line 12, strike "or subsequent refinancing:".

Page 3, line 42, strike "Renewing the small loan rather than paying the".

Page 4, line 1, strike "debt in full will require additional finance charges.".

Page 4, between lines 15 and 16, begin a new paragraph and insert:

**"(4) When a borrower enters into a small loan, the lender shall provide the borrower with a pamphlet approved by the department that describes:**

**(a) the availability of debt management and credit counseling services; and**

**(b) the borrower's rights and responsibilities in the transaction."**

Page 4, line 24, after "longer." insert "**After the borrower's fifth consecutive small loan, the balance must be paid in full.**".

Page 4, line 25, after "loan" insert ", **payable in installments,**".

Page 5, between lines 12 and 13, begin a new paragraph and insert:

**"(6) A lender shall not enter into a renewal with a borrower. If a loan is paid in full, a subsequent loan is not a renewal."**

Page 5, line 15, after "(1)" insert "**As used in this section, "commercially reasonable method of verification" means one (1) or more private consumer credit reporting services that the department determines to be capable of providing a lender with adequate verification information necessary to ensure compliance with subsection (4).**

**(2)".**

Page 5, line 15, after "loan" insert ", ".

Page 5, line 15, strike "or".

Page 5, line 16, strike "subsequent refinancing,".

Page 5, line 19, strike "(2)" and insert "**(3)**".

Page 5, line 19, strike "or subsequent refinancing".

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Page 5, line 21, reset in roman "four".

Page 5, line 21, delete "five".

Page 5, line 21, reset in roman "(\$400)".

Page 5, line 22, delete "(\$500)".

Page 5, line 27, strike "(3)" and insert "(4)".

Page 5, line 27, strike "(2)" and insert "(3)".

Page 5, line 34, after "through" insert "a".

Page 5, line 34, strike "means." and insert **"method of verification."**

Page 5, after line 42 begin a new paragraph and insert:

**"(5) The department shall monitor the effectiveness of private consumer credit reporting services in providing the verification information required under subsection (4). If the department determines that one (1) or more commercially reasonable methods of verification are available, the department shall:**

**(a) provide reasonable notice to all lenders identifying the commercially reasonable methods of verification that are available; and**

**(b) require each lender to use one (1) of the identified commercially reasonable methods of verification as a means of complying with subsection (4)."**

Page 6, line 1, strike "(4)" and insert "(6)".

Page 6, delete lines 12 through 23.

Page 7, line 2, strike "one" and insert "two".

Page 7, line 2, strike "(\$1,000)" and insert "(\$2,000)".

Page 7, line 12, strike "one" and insert "two".

Page 7, line 12, strike "(\$1,000)" and insert "(\$2,000)".

Page 7, line 26, delete "JULY 1, 2004]" and insert "UPON PASSAGE]".

Page 7, line 38, after "that" insert **"the department determines"**.

Page 8, line 2, strike "or".

Page 8, line 3, after "(iv)" insert **"entering into transactions in which a customer receives a purported cash rebate that is advanced by someone offering Internet content services, or some other product or service, when the cash rebate does not represent a discount or an adjustment of the purchase price for the product or service; or**

**(v)".**

Page 8, between lines 27 and 28, begin a new line block indented and insert"

**"(I) Entering into a renewal with a borrower."**

Page 8, line 36, delete "IC 24-4.5-7-408 IS REPEALED" and insert

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"THE FOLLOWING ARE REPEALED".

Page 8, line 37, delete "." and insert ": IC 24-4.5-7-407;  
IC 24-4.5-7-408.".

Page 8, after line 37, begin a new paragraph and insert:

"SECTION 19. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 405 as printed January 21, 2004.)

BARDON, Chair

Committee Vote: yeas 14, nays 0.

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